

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE	)	
COMMISSION OF THE APPLICATION OF THE	)	
FUEL ADJUSTMENT CLAUSE OF FARMERS	)	CASE NO. 8065
RURAL ELECTRIC COOPERATIVE CORPORATION	)	
PURSUANT TO 807 KAR 5:056E, SECTIONS	)	
1(11) AND (12)	)	

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Commission in Case No. 8055 has approved a request by the Applicant's wholesale supplier, East Kentucky Power Cooperative, Inc. (EKP), to transfer (roll-in), to the base rates charged the Applicant, fuel cost in the amount of .105¢ per KWH. Granting EKP's request requires that the Applicant be authorized to transfer these fuel costs to its base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of under- or over-recovery of fuel cost shown in that report.

The Commission after review FINDS:

(1) That the Company's wholesale supplier, EKP, has been authorized to transfer to its base rates in Case No. 8055 fuel cost of .105¢ per KWH.

(2) That an amount of .113¢ per KWH should be added to the rates charged customers in order to transfer, to Applicant's base rates, fuel cost transferred by EKP from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8055.

(3) That the revised rates and charges set out in Appendix "A" of this Order are designed only to reflect the transfer to base rates of fuel cost which is currently being recovered in the fuel adjustment clause rate.

(4) That the transfer of fuel costs to the Applicant's base rates will not result in any additional net margin to the Applicant.

(5) That this transfer of fuel cost is most reasonably and practically accomplished by an energy adder to each KWH sold.

(6) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that Farmers Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, EKP, in Case No. 8055.

IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect for service rendered on and after April 1, 1981, which is the same effective date approved for EKP.

IT IS FURTHER ORDERED, that the Applicant shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "B" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Martin M. Voth  
Chairman

Katherine Randall  
Vice Chairman

Don Hargis  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

## APPENDIX "A"

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8065 DATED MARCH 13, 1981.

The following rates and charges are prescribed for the customers in the area served by Farmers Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

#### SCHEDULE R RESIDENTIAL SERVICE\*

##### Rates:

First	50 KWH	(Min. Charge)	\$6.10
Next	150 KWH		.06736 Per KWH
Remaining	KWH		.04325 Per KWH

##### Minimum Charges:

The minimum monthly charge to consumers billed under the above rate shall be \$6.10 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of KWH corresponding to the minimum charge in accordance with the foregoing rate. The minimum monthly charge for three-phase service shall be \$.75 per KVA of installed transformer capacity.

#### SCHEDULE C COMMERCIAL AND INDUSTRIAL SERVICE\*

##### Rates Per Month:

For all consumers whose kilowatt demand is less than 50 KW:

Kilowatt Demand Charge:	None
First	50 KWH (Min. Charge) \$6.10
Next	150 KWH .06941 Per KWH
Remaining	KWH .04793 Per KWH

For all consumers whose kilowatt demand is 50 KW or above:

Kilowatt Demand Charge:	Per KW	\$2.94
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##### Energy Charge:

First	10,000 KWH	\$0.04357 Per KWH
Next	20,000 KWH	.04197 Per KWH
Remaining	KWH	.04059 Per KWH

##### Minimum Monthly Charge:

The minimum monthly charge under the above rates shall be \$6.10 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate.

The minimum monthly charge for three-phase service shall be 75¢ per KVA of installed transformer capacity or the minimum monthly charge stated in the service contract. Where it is necessary to extend or re-inforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate schedule.

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE\*

Rate Per Fixture:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly KWH Usage</u>	<u>Monthly Charge Per Lamp</u>
Mercury Vapor	175	70	\$ 5.30
Mercury Vapor	250	98	5.87
Mercury Vapor	400	156	8.87
Mercury Vapor	1000	378	14.56
Sodium Vapor	100	42	5.81
Sodium Vapor	150	63	6.63
Sodium Vapor	250	105	8.81
Sodium Vapor	400	165	11.01
Sodium Vapor	1000	385	23.63

\*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

COMPANY \_\_\_\_\_

Purchased Power - Month of: \_\_\_\_\_

Fuel Adjustment Charge (Credit):  
a. Billed by Supplier \$ \_\_\_\_\_

b. (Over) Under Recovery on L20 \_\_\_\_\_

c. Unrecoverable - Schedule 1 \_\_\_\_\_

d. Recoverable Fuel Cost (L1a  
+ L1b minus 1c) \_\_\_\_\_

2. Number of KWH Purchased \_\_\_\_\_

3. Supplier's FAC:  
a. \$ Per KWH (L1a ÷ L2) \_\_\_\_\_

b. ¢ Per KWH (L3a x 100) \_\_\_\_\_

4. Sales as a Percent of Purchases  
(100% less percentage on L6) \_\_\_\_\_

5. Calculation of Distributor's FAC:  
a. Recovery Rate \$ Per KWH  
(L1d ÷ L2) \_\_\_\_\_

b. FAC \$ Per KWH (L5a ÷ L4) \_\_\_\_\_

c. ¢ Per KWH (L5b x 100) \_\_\_\_\_

Line Loss \_\_\_\_\_

6. Twelve Months Average (%) \_\_\_\_\_

7. Last Month Used to Compute L6 \_\_\_\_\_

8. Line Loss for Month on L7 (%) \_\_\_\_\_

Line 5c above reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ ¢/KWH to be applied to bills rendered on and after \_\_\_\_\_, 19\_\_\_\_. Date of Issue \_\_\_\_\_, 19\_\_\_\_. Issued by \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

POWER SUPPLIER \_\_\_\_\_

APPENDIX B  
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Disposition of Energy (KWH)-Month of: \_\_\_\_\_

9. Total Purchases for the Month \_\_\_\_\_

10. Sales (Ultimate Consumer) \_\_\_\_\_

11. Company Use \_\_\_\_\_

12. Total Sales (L9 + L10) \_\_\_\_\_

13. Line Loss and Unaccounted for  
(L9 Less L12) \_\_\_\_\_

Under or (Over) Recovery \_\_\_\_\_

14. Last Distributor FAC Rate Billed  
to All Cycles \_\_\_\_\_

15. Gross KWH Billed at the Rate on L14 \_\_\_\_\_

16. Adjustments to Customer Bills (KWH) \_\_\_\_\_

17. Net KWH Billed at the Rate on L14  
(L15 Less L16) \_\_\_\_\_

18. FAC Revenue (Refund) Resulting  
From the Rate on L14 \_\_\_\_\_

19. Fuel Charge (Credit) Used to  
Compute the Rate on L14 \_\_\_\_\_

20. Total (Over) Under Recovery  
(L18 Less L19) \_\_\_\_\_

CALCULATION OF UNRECOVERABLE FUEL COST  
DUE TO EXCESSIVE LINE LOSS  
FOR THE MONTH ENDED

- |  |                   |
|--|-------------------|
| 1. Purchases For the Month (KWH)   |                   |
| 2. Less Line Loss (10% X L1)   | _____             |
| 3. Sales (L1 less L2)  |                   |
| 4. Unrecoverable Fuel Charge Per KWH:  |                   |
| a. FAC Rate based on Actual Line Loss<br>(Current Month's Report L3a ÷ (100% Less L6)     \$       |                   |
| b. FAC Rate based on 10% Line Loss<br>(Current Month's Report L3a ÷ 90%)                     _____ |                   |
| c. Increment unrecoverable   | \$ _____          |
| 5. Unrecoverable Fuel Cost -L4c X L3 carry to Line<br>1b of current month's report)                | \$ _____<br>_____ |

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.